

REGULAR MEETING

7:00 P.M.

SEPTEMBER 7, 2011

This Regular Meeting of Council was called to order on the above-stated date at the above-stated time after the Pledge of Allegiance and a Moment of Silence by President of Council Michael Cherepko with the following Members of Council present:

**RC-1 PRESENT: DALE McCALL, MICHAEL CHEREPKO,
LORETTA DIGGS, RICHARD
DELLAPENNA, JR., ALFRED J.
TEDESCO, JR., FAWN WALKER-
MONTGOMERY, DARRYL SEGINA**

Reverend Doug McCracken of the McKeesport Alliance Church led the prayer.

Also present were City Administrator Dennis Pittman, City Solicitor Craig Alexander and members of the Administration.

APPROVAL OF MINUTES:

MOTION: Ms. Diggs moved, seconded by Mr. Segina, "To approve the minutes for the Public Hearing of July 5, 2011, the Regular Meeting of July 6, 2011, the Special Meeting of July 20, 2011 and the Special Meeting of August 3, 2011."

RC-3 YEAS: McCALL, CHEREPKO, DIGGS, DELLAPENNA,
TEDESCO, WALKER, SEGINA 6

NAYS: NONE..... 0

COMMUNICATIONS:

- Received a letter from John Jeffries, Environmental Health Supervisor, Allegheny County Health Department, to

Healthcare Waste Solutions, Inc., RE: Third Quarter Inspection, Stericycle, Inc., Genesis Autoclave and Transfer Facility, City of McKeesport.

- Received three memorandums from the City Controller. One is Ordinance #8-13, Silent on Prepayments, Controller's position on 8.3.11 Council Meeting and Ordinances, Bills #178 and #179 approved at August 3, 2011 Special Meeting of Council.
- Received a memorandum from Dennis Pittman, RE: 2010 Recycling Report.
- Received a letter from Mark Depretis, Regional Director, Government and Regulatory Affairs, Comcast, RE: Important Information – Internet Essentials.
- Received a letter from John Patrick Lydon, Chief Executive Officer, Auberle, thanking Council for their support and granting of the conditional use of the former St. Pius rectory.
- Received a letter from James Smedley, Manager, Bureau of Municipal Services, Pennsylvania Department of Transportation, stating that the monitoring review of the City's Liquid Fuels Tax Fund was completed and the attached monitoring report indicates that the City has taken the necessary steps to be in compliance and no areas of concern were noted in this review.
- Received a copy of a letter sent by Bethany Bauer to Guy Costa, Assistant Director, Allegheny County Department of Economic Development, RE: Economic Development Project Business Expansion – McKeesport.
- Received a letter from Jeffrey Karr, Assistant District Executive, Maintenance Division, Pennsylvania Department of Transportation, RE: Municipal Snow Agreement.

- Received a copy of a letter sent by Dennis Pittman, City Administrator, to Robert Valerio, Wally and Joe's Welding Services, RE: Business Expansion/Expansion Location.
- Received a letter from Robert Wormser, Auditor, Office of Financial Management and Administration, Pennsylvania Commission on Crime and Delinquency. The letter said "Our review of your response satisfied us that there remain no material variances from information reported to PCCD in the fiscal reports submitted through Egrants. Therefore the above referenced fiscal years are now considered cleared."
- Received a copy of a letter sent by Jim Brewster, State Senator, to the Honorable Dan Onorato, Allegheny County Chief Executive, stating that Governor Corbett has authorized the release of Redevelopment Capital Assistance Project funds for the two flyover ramps in the Mon-Valley.
- Received an email from Phil Fraga from the Cohen Law Group, RE: Comcast Contract.
- Received notification that Allegheny County Regional Asset District Radical Days will be held on September 24 through October 16, 2011.

MAYOR'S REPORT:

Mayor McLaughlin was not present at the meeting.

COUNCIL REPORTS:

- Mr. Tedesco had nothing to report.

- Ms. Walker-Montgomery said they got something in their packet about the Redevelopment Authority getting a property from Zion Baptist Church. She said what was that going to be used for.
- Mr. Pittman said he can address that. He said in 2009 the Housing Authority received Stimulus money that would be eligible to raze the church and turn the adjoining property into open space for use in conjunction with the St. Mary's housing. He said they needed to get the property back free and clear. He said Zion agreed to transfer the property to the Redevelopment Authority for \$1.00 which they did and the Redevelopment Authority then was going to expunge any back taxes and transfer it to the Housing Authority so that they would have clear title and then the monies that they received from the Obama Administration could raze the building and build the park.
- Ms. Walker-Montgomery said so the money is going to be used for housing and the church.
- Mr. Pittman said no, no they are going to knock the building down completely and turn it into a park site for use by the residents of the St. Mary's housing on Olive and Locust. He said it will be open space.
- Ms. Walker-Montgomery said okay. She said she wanted to thank the police department, the fire department, the EMS, public works and the Mayor for their participation in the 2nd Annual Walk, Run and Ride. She said they had it out in Renzie in August. She said she wanted to thank the Mayor for coming out, Senator Brewster and Mike came out as well and Mike walked the whole route. She said she wanted to thank everybody for coming out and for their participation. She said she had a question for the Mayor but he is not here so she will hold off on that. She said she wants to address the vote that they have to make on the school issue tonight. She said they heard a lot of opinions last night about taxes, land and eminent domain and she thought long and hard

about it over the last couple of days and she is going to vote for the conditional use. She said her main reason for voting yes is the children. She said she doesn't want to leave the children with no school to go to and it is already becoming overcrowded. She said the district has looked at a lot of sites in McKeesport thus far and she feels that if they just keep prolonging it then the children are just going to have nowhere to go. She said she weighed out the taxpayers and at the end of the day they have to have somewhere for the children to go and it has to be a safe environment and it can't be overcrowded. She said that is why she is going to vote for that and wanted to go on record with that.

- Mr. Dellapenna had nothing to report.
- Mr. Segina said he doesn't really have anything to report but he is curious as to what happened with the Henry B. Kline Building. He said what are they putting in there. He said he sees they are doing something down there, is that another park.
 - Mr. Pittman said the lot that was the site of the Henry B. Kline building at the corner of Center and Fifth Avenue is going to be converted into a City parking lot and they are in negotiations with McKeesport Candy Company for exclusive lease rental of that property.
 - Mr. Segina said in contrast with what Ms. Walker-Montgomery mentioned about voting on the School proposal; he is in direct contrast to what she is saying mainly because if you look at the issue itself, he doesn't like eminent domain. He said he doesn't like the government taking over property especially if a person is reluctant to give up that property for one. He said if you put yourself in that man's position up there, he thinks they would feel the same way owning that property all that time no matter what his motivations are or what he is trying to do up there. He said he thinks taking that property away up there is inconsistent with the liberties

of our Constitution. He said where they got this eminent domain he has no idea but he really doesn't like it. He said secondly he thinks there is a lot of skepticism about the property itself and he knows if they take down all that wooded forest back there, there will be a problem with drainage. He said they will be putting asphalt down and it is permeable and the water has to run off somewhere and it will ruin property that has some good possibilities. He said he wishes Mr. DeTorre would have made some plans for that development a lot sooner rather than facing the eminent domain, that is for sure but he would hate to give up 13 acres of property and give it to a tax exempt school district and get nothing for it whatsoever. He said right now they are collecting taxes on it and perhaps in the future they will be collecting more taxes on it. He said that is all he has.

- Mr. McCall has nothing to report.
- Ms. Diggs has nothing to report.
- Mr. Cherepko said the only thing he wanted to mention was the financial restructuring program between the City of McKeesport and the Municipal Authority has been completed. He said he is proud to announce ... and he thinks Mr. Pittman will agree ... that they have issued bonds at historically low rates and not only that they have prepaid interest on the loans to the City with substantial savings. He said that was a much debated issue and in addition to that, they have also managed to immediately decrease their debt by \$5 million and it looks that they may be able to further implement this and take it down another \$4 million over the next few years. He said once again in addition to that they believe there will be money available in order for capital improvements, demolition costs, and things like that which they know they desperately need in the City. He said over the last 7 or 8 years they have torn down over

400 homes and as they tear them down they just keep coming back up. He said there are still lots of dilapidated homes out there and it is unfortunate for the people who have to live by these homes and some cannot even get insurance for them and when they do the rates are astronomical. He said he is proud to announce that and it will also help them when they go to do that down the road. He said keep in mind that they did this without increasing tax rates and without impacting the budget. He said he wants to thank Council and the Mayor and Administration for their support on this issue. He said that is all he has.

- Mr. Pittman said he would like to add to that. He said this could be a little embarrassing. He said he had an opportunity to meet with King Tut today and he taught him how to write that way so if they can't read any of it, they will have it typed for them tomorrow. He said he actually wrote it at Patty's request while he was getting some X-rays done an hour ago. He said he would like to echo what Council President said. He said Mr. Cherepko, the Mayor and he sat on an investment committee at the behest of this Council after the Special Meeting August 3 and due to the work that Mr. Cherepko and the Mayor had put together ... don't make a face like that A.J., he is going to read it to them ... they received from the Sewage Authority on August 31 approximately \$24 million and it went in the bank September 1 and by September 2, \$5.7 million of that fund was used to redeem part of their \$30 million outstanding bonds. He said that was done at an enormous savings not only at an interest rate but those bonds ranged between 4.95% and 6.2% but also the buyers allowed them to redeem them at \$.95 and \$.94 on the \$1.00. He said there was a small piece that they spent at \$.995 on a \$1.00. He said all that means is that they paid less to buy them back than they got when they sold them. He said all of those revenues will come back as Mike mentioned to the

City. He said additionally they have all of those funds sitting in M & P Bank, exactly what the President said, another \$4 million per force will have to be redeemed because they represent a funding that the City supported in 1997 when they could get a rate less expensive than the Sewage Authority. He said those bonds then must be redeemed. He said the balance of the bonds, which is approximately \$14 million will be invested over the next three years and those funds will allow them to still meet all the City obligations for debt service on the remaining balance of their bonds and provide them the opportunity in 2015 mid-year to have a call feature and redeem another large portion of their bond issue which is higher than the 4% they were receiving. He said that would position them in the year 2015 with a little less than \$10 million in outstanding bonds. He said they would go from \$30 million down to \$10 million. He said he thinks that President of Council and the Mayor and the Bond Counsels that they retained deserve enormous credit for positioning the City to do that. He said they are wondering what this is. He said they are putting together an investment policy for the funds that remain until 2015 and what they have in front of them and cannot read but Patty will graciously type tomorrow he hopes. He said he wanted everyone to be comfortable with the fact that they have been asked to articulate how they want to secure that \$14 million so that they feel very safe that those funds will be here for the citizens of McKeesport and they have a policy that doesn't require a resolution but he set it up and he thinks it is important that all the members of Council and the public understand that they are basically going to utilize four instruments during this three year period and to get the highest rate possible from those four investment instruments. He said one of them is bank certificates, something they are all used to seeing and they will be done up to \$250,000 each so they are always fully insured by the federal government. He said they may

use multiple banks, a proposal they sought today would include as many as 56 different banks to hold those funds for them in Certificates. He said they could also use US Treasuries backed by the United States Government who can print money and they feel pretty safe about that. He said they can also use agencies of the United States Government such as Fannie Mae and Freddie Mac, US Farm Credit. He said those are also 100% guaranteed by the government. He said finally they can use a program called Act 72 which is literally a collateralization of any bank certificate beyond \$250,000 by the bank themselves. He said they would be a primary creditor of the banks if they chose to use any certificate in excess of \$250,000 in any given bank. He said they will have that formalized as soon as they complete discussions on Friday. He said they have talked to three different banks already and they should have that back and available for Council to see and it would follow the policy that they approved on August 3 and would include the liquidation of the \$4 million that Mike spoke about on September 28.

- Mr. Malinchak said will Mr. Pittman establish a range of interest rates he can anticipate for these \$14 million worth of bonds.
- Mr. Pittman said short range would be as little as 0.35% and long range, which is 3 years only, is slightly in excess of 1.0 % and it would be a blended rate.
- Mr. Malinchak said this would be for three years.
- Mr. Pittman said yes that is correct.
- Mr. Malinchak said what he has told him right now is that they gave up an investment instrument called a loan with the Sewage Authority that was paying them 4% and there was approximately \$24 million check they got on August 31.

- Mr. Pittman said \$24 million was only the mortgage that they had from the sale of sewage lines. He said it has no relationship to the bond direct.
- Mr. Malinchak said so they were getting interest on \$24 million at 4% which is approximately \$960,000 a year and about \$2,500 a day. He said that was at 4%. He said all of the sudden now on \$14 million they are not going to even get 2%. He said now tell him how that is in the best interest of the citizens of this community.
- Mr. Pittman said they are going to present to them in both graph form and numerical form the savings that they received for them. He said for example the bonds themselves that were redeemed last Friday, of \$5.7 million were between 5.25% and 6.0% so the savings on those bonds already exceeded the 4% that they were receiving from the Sewage Authority. He said when you see the layering of that plus the \$4 million that the President of Council spoke about on September 28, it is also in excess of that amount of money.
- Mr. Malinchak said they are going to quantify this money then.
- Mr. Pittman said yes they are going to do that. He said it is an avoidance cost of paying a higher interest rate on the bonds that they have.
- Mr. Malinchak said he forgot one factor. He said they are obviously going to take benefit of the \$163,000 insurance they pay for this.
- Mr. Pittman said correct, they do pay bond insurance which would be reduced or eliminated because they reduced their outstanding bonded indebtedness. He said that is correct.
- Mr. Malinchak said it is just hard for him to see from the balance where three quarters of the money is going into

the \$14 million. He said three quarters is going over there and it is paying them less than 2% and he agrees with them that they are going to make maybe the net of more than 4% based on getting a discount on those bonds but he would like to see if that offset when they sit down and make the calculation ... as far as he is concerned, if this City is not making \$2600 a day benefit because the other one was interest, it is just not a good decision. He said this is why he tried to lobby last time to try and get a third party to try and get a third party to do a financial analysis which apparently others in the room did not feel was a good idea. He said he will be anxious to see their figures and thank you.

- Mr. Cherepko said he thinks there are two issues too Mr. Pittman and he can correct him if he is wrong. He said for one thing this was pretty much a decision made on behalf of the Sewage Authority in order to do this and money they were receiving and in essence it was not a decision on their part. He said also when they look at this, it will also put them in a much better financial situation. He said as a City, they are not much different than a person or individual. He said any individual who goes out and tries for a mortgage or car or any kind of loan, they are going to look at the amount of debt that you have as an individual. He said because the City's debt has been cut down from \$30 down to about \$10 million, they will be in a much better financial situation also to where they want to go a few years down the road and possibly do a bond themselves to free up capital and they will be in a much better situation and most likely have a better bond rating because of it.
- Mr. Malinchak said he would like to respond to that. He said he indicated that this was precipitated by the Municipal Authority and he has to take issue with that because the Ordinance is very clear and he pointed this out in the letter to everyone who read it that in the

particular Ordinance, there was no provision in there for Prepayment. He said there was absolutely was none in there for prepayment, therefore if the Sewage Authority wanted to do it, and the City did not agree from the Council side, they did not have to accept that prepayment. He said secondly, he hears a lot of discussion here about ... which is correct discussion about reducing debt and looking good and all that ... but no one talked about the fact that they liquidated a \$30 million asset. He said no one talked about that. He said didn't they sell a \$30 million collection system.

- Mr. Pittman said it was \$24 million.
- Mr. Malinchak said it started out at \$30 million and they gave them \$3 million down and then \$27 million balance with \$1.9 million over 20 years. He said the balance due today.
- Mr. Pittman said the present value of the \$27 million would be \$24 million.
- Mr. Malinchak said that is correct, because they paid for it. He said but the point he is making is that why aren't they talking about the fact that they liquidated a \$30 million asset. He said the City's net worth is \$30 million less. He said just so they don't miss that point.
- Mr. Segina said he has something to say too. He said first he said about their bond rating if they have to borrow later on, but hopefully if they will have \$15 million in the bank through 2015 they will not have to get another bond issue to go get anything really.
- Mr. Cherepko said he thinks what Mr. Segina is forgetting is yes that they have \$15 million sitting in the bank but they are not going to be receiving the \$2.7 million per year that they were getting from the Sewage Authority. He said as far as he is concerned that \$15

million needs to be put in there so they are filling that gap because he doesn't have any rabbits to pull out \$2.7 million in revenue. He said that is the part they have to keep in mind too. He said as far as he is concerned he feels they are where they need to be filling that budget gap at least until 2015.

- Mr. Segina said if he remembers too there is an excess of the \$15 million that they can put to their own use and he is going to invest it. He said they tried that before and they had \$1 million in the bank January 1 and they are down to \$400,000. He said there should be some real controls on this money that is going to be floating around here. He said if people get their hands on it. He said he also wants to say one that is not critical of him but he mentioned demolition and he remembers they went \$5 million on the bond issue through the Community Development and in two years that money was expended and when you look around you wonder where the money went. He said he hates to see that again. He said what he wants to see and he wishes this was 1980. He said every year they have knocked down homes, hundreds and hundreds of them. He said they must have knocked down 4,000 homes in this town so far. He said he doesn't know where it ends. He said he does know where it begins and that is stricter code enforcement which has not been employed in this City for a long, long time. He said someone has to get off their duff before these homes get to the point where they have to be demolished and the City picks up the cost for it. He said they have to be out there enforcing those codes. He said he is tired of hearing excuses like they are not allowed to do that, they can't do that, or it's not what they are supposed to do. He said there has to be something done with those homes. He said they have to go back to these owners with Senate Bill 900, it gives them the teeth for it. He said he has seen no progress whatsoever in bringing in somebody to train

their people so they know exactly what tools they have to go out and enforce their code enforcement. He said they have a Tenant and Landlord Ordinance they put through and he said the day they passed it that all they have to do is enforce it and if they don't they have not done anything. He said it is not critical of Mr. Cherepko but he is just telling him, that is where it all starts. He said they won't have the number of buildings they have to go and put hoses to when they burn down because people light them up and they should make these things more habitable and take care of them before they get to that point.

- Mr. Cherepko said he couldn't agree with Mr. Segina more and has been saying this for a while and looks forward to working with him on this.
- Mr. Segina said when he mentioned demolition, he worked him up.
- Mr. Malinchak said he would like to add on to Mr. Cherepko's one comment. He said he talked about \$2.4 or \$2.7 million revenue they were getting. He said remember there is another side of the equation that supports his argument is that they are going to end up reducing their obligations on these bonds that Mr. Pittman is paying off so they have to subtract that obligation away from that \$2.1 million and that is the net effect. He said they are reducing the obligations.
- Mr. Cherepko said but not by as much as he thinks.
- Mr. Malinchak said he doesn't know, he is going to have to give him the numbers.
- Mr. Cherepko said it is very minimal.
- Mr. Segina said he has one more thing. He said what is going to happen to the Eagles Building now.

- Mr. Pittman said he met with Mr. House and he has cordoned the building off and deemed it unsafe and they need to get back in touch with the owners. He said they have retained an attorney, Mr. Bresnahan, who believes that the building has historic value and needs to be salvaged. He said the City believes if they can fix it up that would be wonderful but if they can't, then it needs to come down and that is where it sits with regard to the courts at this point.
- Mr. Segina said if they cut down the tree that is growing through the roof, he thinks that would be the first step if he wants to restore it. He said secondly when the whole thing collapsed, did they get their hair pieces out of there in time. He said that really concerns him.
- Mr. Pittman said he has to check and see what the rabbit count is to see what the hair damage was but
- Mr. Segina said it seems funny when he says this but this is a real problem they have. He said they have been after this guy for how many years now and no action has been taken. He said he owns the Swedish Singing Society, him and his partner and the same thing is going to happen there. He said they were going to build these modern apartments there. He said he doesn't see anything modern about them or any motion with those guys putting those apartments in there. He said here they are with another eyesore and everything else is going down too. He said that is a shame and it is breeding. He said the same thing is happening in all their neighborhoods.
- Mr. McCall said the key is still sitting there too.
- Ms. Walker-Montgomery said she wanted to ask Mike something too regarding what Mr. Segina said because she was talking about enforcement and code enforcement for months now. She said she has been

asking for a meeting with the code enforcement officer with Council so they can have a special meeting but she has not gotten it and that is what she was going to talk to the Mayor about today. She said is it possible that he can get a special meeting together with Council and the code enforcement officers because she feels like she has been talking about it for months now and sounds like a broken record. She said she is trying to be persistent about the issue because she feels like they need to enforce. She said they have all of these Ordinances and they don't enforce them so it is a waste of having them. She said if he can get that special meeting together she would appreciate it.

- Mr. Segina said in Mike's area alone on Franklin Street, there is a house there that a fellow told him about and he may know who he is talking about probably and he has been complaining about this for a long time so he decided after church to drive up there to look at the house. He said there is a house here and a house here and both are empty. He said the house is in the middle and you can't see it. He said there are rodents in the weeds and the shrubs are up over top and no one is going to rent either one of those houses and sure enough that one isn't. He said there has to be a law somewhere to take care of that problem before they go out there to demolish it again. He said the only person making out on this is the demolition experts.
- Mr. McCall said he has something for the Controller over there. He said they sold their \$30 million asset. He said they actually sold it to themselves. He said they did not lose the asset, Ray. He said they did not lose the asset; the Authority belongs to the City of McKeesport. He said right. He said if the Authority goes under and has to sell off....

- Mr. Malinchak said he said before they were selling to themselves.
- Mr. McCall said if they have to sell off it is the City ... it is not ... it is an equal deal there and not that they sold the \$30 million to someone outside the City of McKeesport. He said it is still here.
- Mr. Cherepko said they still have their asset and it is still their asset.
- Mr. Segina said hold on Mr. McCall.
- Mr. Malinchak said he is absolutely correct
- Mr. Segina said but what if they sell the Sewage Authority, then it is all gone. He said he will tell them to think back to the Westmoreland Water Authority when they sold that Asset.
- Mr. McCall said when they sell it they have to come to us.
- Mr. Segina said when they sold that and talk about a gold mine, that was a gold mine ... water coming out of the Yough.
- Mr. McCall said they understand that ... they learned from that lesson.
- Mr. Segina said they did?
- Mr. McCall said he hopes they did.
- Mr. Cherepko said this is another thing this whole bond this does too is hopefully prevents them from someday having to sell the Sewage Authority which like they said back then was horrible what they did with the Water Authority. He said just to throw it in which they will see when they go over the numbers. He said he believes the City ... and Mr. Malinchak will see them when they are

put into their final numbers ... saved about \$3.5 million over the life of this bond.

- Mr. Malinchak said he is looking forward to seeing the quantification by Mr. Pittman and others. He said he would like to respond partially to Mr. McCall's question.
- Mr. McCall said respond to the whole question not partially.
- Mr. Malinchak said okay the whole question not partially. He said do they have a separate audit over there with the Municipal Authority.
- Mr. McCall said yes they do.
- Mr. Malinchak said does the City of McKeesport have a separate audit.
- Mr. McCall said yes they do.
- Mr. Malinchak said obviously then they are going to show in their audit and their net worth statement and please correct him if he is wrong, that the City redeemed an asset. He said they had a sale of an asset. He said they ended up picking up an asset but they also picked up \$30 million in debt to go along with it. He said there are two separate sets of books.
- Mr. McCall said don't say that. He said do not say there are two separate sets of books.
- Mr. Malinchak said the City sold an asset and he doesn't care how they twist it, they liquidated an asset. He said their net worth would go down.
- Mr. Pittman said their cash went up and their Net Worth went down.
- Mr. Malinchak said and on their side the reverse was true.

- Mr. McCall said and the City still owns it.
- Mr. Malinchak said no, they own it.
- Mr. Cherepko said they are going to move on, thank you gentlemen.
- Mr. Malinchak said look at the agreement and he will see it is with him.

CITIZENS IN THE AUDIENCE:

Mr. Cherepko said will Mr. DeTorre come to the front please. He said welcome back Mr. DeTorre, please state your name and address for the record. He said Mr. DeTorre has three minutes to speak.

ROBERT P. DeTORRE, 1500 MONONGAHELA BOULEVARD, WHITE OAK, PA 15131. Mr. DeTorre said he is sorry and he is for the school too but it is just where they are putting it. He said they were supposed to put it in McKeesport and evaluated all the property in McKeesport. He said now it is in White Oak. He said does Ms. Walker realize that the McKeesport Area School District has 68 continuous acres that they own adjacent to McClure School and they are coming after his acreage when they sit and own this property and it is off the tax rolls. He said there are a lot of other options for the school. He said everybody has to be bused because they are bused to his property or a quarter of a mile to Lower Heckman Road. He said it still would be a potential for a new school.

- Ms. Walker-Montgomery said she definitely understands his concerns but her concern is ... like she said ... is that they have looked at a lot of sites in McKeesport and they have always been something wrong.
- Mr. DeTorre said he knows they never looked in White Oak and yet they are building in White Oak.

- Ms. Walker-Montgomery said her focus is McKeesport and they looked at a lot of sites in the City of McKeesport. She said there have been architectural issues or some problems with building up there and then problems with displacement.
- Mr. DeTorre said the fact is that this is in White Oak.
- Ms. Walker-Montgomery said some of it is in White Oak but some of it is in McKeesport. She said her goal is really the children so what are they going to do with the kids.
- Mr. DeTorre said his second point is ... that Mr. Cherepko should abstain from voting because he has a conflict of interest with the school district and with the well-being of the City of McKeesport. He said he really thinks there is a conflict of interest there.
- Mr. Cherepko said does Mr. Alexander see a conflict of interest there.
- Mr. Alexander said there is only a conflict of interest if Mr. Cherepko receives some pecuniary gain from the vote, which he does not.
- Mr. DeTorre said is Mr. Tedesco's father the project manager.
- Mr. Tedesco said no he is not.
- Mr. DeTorre said then he is not related to Jerry Tedesco.
- Mr. Tedesco said he is a distant relation. He said he resents any type of insinuation that
- Mr. DeTorre said no ... that is why he asked if there is any relationship.

- Mr. Cherepko said just to comment and he is not going to rehash everything that went on last evening but what he is missing ... and he feels for him as far as that property goes ... but as far as putting schools whether yesterday it was discussed do it all at Cornell and now it is do it all at Francis McClure, he thinks it is just not the best educational climate for the children to put K-6 and have 1500 kids all in one building. He said he believes Dr. Gabauer came up after him and spoke and pretty much elaborated on what he said. He said he thinks that is the big concern there. He said they talked about development and tax money. He said that was a reason why maybe they shouldn't do it. He said Mr. DeTorre himself just said only 10% of it was in McKeesport so as far as McKeesport goes, he doesn't see them losing much revenue.
- Mr. DeTorre said the building itself is only 10% in McKeesport but there are 13 acres of the land in McKeesport that could be developed into tax base.
- Mr. Cherepko said there is also acreage next to him also which eventually hopefully they get to. He said as he said last night, he is going to say the same thing; this is not just because he is an educator in the district. He said yes, he is privileged to have the opportunity to see the benefits first hand and is currently teaching in Francis McClure as he said last evening and the education for these children and for the staff alike, the enthusiasm that these kids have ... it is a state of the art facility and is first class and as far as he is concerned, this has nothing to do with him being a teacher, he is looking for the long haul for the City of McKeesport. He said he is not doom and gloom and they will all be folded up and this isn't going to be a city in ten years type person. He said as far as he is concerned the children are their future and that is where he stands.

- Mr. DeTorre said he is for better schools too.
- Mr. Cherepko said he is for better schools. He said someone mentioned Propel and they are going to be competing against Propel and that is all the more reason to do it. He said he could go on and on. He said they need to market the City and he doesn't think it hurts the City to bring in a \$25 or \$26 million structure. He said he thinks that markets the City. He said he thinks that makes people want to come to this district so that their kids can benefit from what these schools have to offer. He said that is not as a teacher, but him being a teacher lets him see it firsthand to see just how beneficial it is. He said as a Councilman, a citizen and a resident in this City born and raised, whatever hat he wants him to wear, as far as he is concerned ... he is 100% for it. He said it is very unfortunate that they are coming up and maybe taking some of his property ... it is very unfortunate but even when they go geographically, he thinks it is great. He said now they are going to have an intermediate school on this end of town in the Seventh Ward, one in the middle town right on the border of White Oak and McKeesport and then an intermediate school on the other end of the school district over in White Oak. He said he sees cons, don't get him wrong because he feels for Mr. DeTorre, he truly does ... but he is still going to have his home and will still have lots of property and it is a lot better off than what some people are when they see these people come in with eminent domain come in and take their homes. He said some of these people live there for forty or fifty years and regardless. He said some of them want to look at that and say oh well they kind of like
- Mr. DeTorre said the school district owns 68 continuous acres.

- Mr. Cherepko said he understands that. He said he is just telling him his stance. He said he came up and said his opinion and now he is giving him his. He said people want to look and he is sorry but he sees everyone evenly. He said it doesn't matter whether he has people who want to buy a \$150,000 or \$200,000 home in Haler Heights or if they want to buy a \$15,000 home. He said they might be someone living over there on Bailey Avenue that had a \$15,000 home that lived there for 40 years and does that make it any less right to have them removed from their home. He said what he is saying is he looks at it as the glass is half full for him. He said yes, he feels for him but he tries to take the other approach that he is going to have a state of the art facility there and he will still have his home and will still be left with 15 acres.
- Mr. DeTorre said he will say it one more time. He said the school district owns 68 continuous acres.
- Mr. McCall said they heard that.
- Mr. Tedesco said he has one question for Mr. DeTorre. He said say for whatever reason the school district doesn't build there, what guarantees does the City of McKeesport have that he will develop that land.
- Mr. DeTorre said he has plans that went to the ... he has a check written to the Zoning Commission back in April and they had a meeting with the School Board with his attorney and they said they are not easing up on taking his property so he took his \$600 check that is in the Developer's office right now and told them to hold it because there was no sense throwing it to the wind until they get this thing resolved.
- Mr. Tedesco said he can understand Council's concern that

- Mr. DeTorre said he has the drawings and plans....
- Mr. Tedesco said say they don't go through with the school and he said he was going to develop this land for homes and then after they don't go through with the school, then he says he is not going to develop it.
- Mr. DeTorre said he has about \$10,000 invested in drawings and legal work
- Mr. Tedesco said so he is guaranteeing that he is going to develop this land.
- Mr. DeTorre said yes sir.
- Mr. Cherepko said Mr. DeTorre does understand too that chances are with eminent domain, it is just a matter of time whether it goes through the courts or whatever ... and to be quite honest in essence, it is somewhat out of their hands. He said eventually if anything, it seems like the process will be delayed which he doesn't think is beneficial for anyone. He said if he wants to get into the taxpayers, then yes he realizes they probably going to have the school taxes go up. He said but keep in mind, they have the lowest school taxes by far in Allegheny County, the entire Allegheny County. He said ... he feels for him, he truly does. He said he thinks they are delaying the process which in the end, if they do go through ... and they can turn back and say just because the City gives them a conditional use, doesn't mean it is going to happen. He said they are not here to argue whether they should build a school or not. He said he realizes that it has turned into that. He said that is not what they are here for. He said in the end it is going to come down to the school district and if they delay this further and further, now all of the sudden they are costing the taxpayers even more money if they build

that school because the prices are going to continue to go up, the construction price and everything else. He said the project has already increased and chances are the longer they wait, it will go up even further.

- Mr. DeTorre said nothing has been done yet, no shovels, no dirt, no legal paper
- Mr. Cherepko said which means the prices may go up as they speak.
- Ms. Diggs said this is like déjà vu. She said like Propel Schools. She said they went up into Haler Heights and everyone had signs in their yards but had No Charter School, No Charter School She said look at Propel, the Catholic Diocese gave them that building and they put McKeesport on the map with education. She said is she right.
- Mr. Malinchak said he has one question for Mr. DeTorre. He said did anyone explain to him why that 68 acres was not considered when they did that feasibility study for all particular locations.
- Mr. DeTorre said the feasibility study was solely in the McKeesport School District because it was a McKeesport School and he heard last night the Superintendent said it is for White Oak also. He said he said that right here ... he said it is for White Oak students too. He said if it is for White Oak and McKeesport students, then why didn't they do feasibility studies in the White Oak area where they own 68 continuous acres.
- Mr. Malinchak said it is just unbelievable that they left that out.
- Mr. Cherepko said Mr. DeTorre
- Mr. Segina said their feasibility study so far has been right on. He said they are going to put the original

school over at the garbage dump ... they were agreeing to do that and now they are going to take away property that is going to help the City of McKeesport with development and create new housing which if they look around, Haler Heights is probably the last bastion that they have of upper crust homes. He said in fact most of their employees live there, don't they?

- Mr. Malinchak said he has to respond to that garbage dump statement. He said Mr. Segina should be very fearful when he visits Olympia Shopping Center if he remembers what Olympia Shopping Center was in the 1950s.
- Mr. Segina said he remembers that and he does remembers that there was dumping over there at Grandview and they were going to take that with \$1 million and take all that garbage out and put the school down there. He said until they discovered they could not get the money for the \$1 million to take the garbage out. He said what he is trying to say is their feasibility study stinks.
- Mr. Cherepko said he may be missing something but
- Mr. Segina said Mr. Cherepko's three minutes are up and he doesn't think he should say any more.
- Mr. Cherepko said he will keep it short. He said he was just going to say that being that this is McKeesport and White Oak students coming in, maybe he is missing something ... how ironic that it is on the border of McKeesport and White Oak. He said he doesn't understand why they want another school in White Oak.
- Mr. Segina said that is what's happening.
- Mr. Cherepko said it is on the border.
- Mr. Segina said it is split right down there.

- Mr. Cherepko said thank you Mr. DeTorre.

Mr. Cherepko said will Ray Malinchak come up to the front of the room. He said would he please state his name and address for the record and he has three minutes to speak.

RAY MALINCHAK, 600 BECKMAN DRIVE, McKEESPORT, PA 15132. Mr. Malinchak said this evening he would like to share with the folks in the room the status of the City investigation on trash. He said he has a

- Mr. Cherepko said did he say the City's investigation on trash.
- Mr. Malinchak said yes.
- Mr. Cherepko said he doesn't believe they authorized an investigation on trash.
- Mr. Malinchak said he thinks the contract is with the City of McKeesport that the trash contractor has, is that correct.
- Mr. Cherepko said if that is the way he wrote it up then that is fine, then let the record be clear that this is a
- Mr. Malinchak said do they want him to insert the word "not City."
- Mr. Cherepko said he would say that this is an investigation
- Mr. Malinchak said okay fine, this is an investigation by
- Mr. Cherepko said he would say that this is an investigation by Mr. Ray Malinchak.
- Mr. Malinchak said okay an investigation by Mr. Ray ... if that satisfies him then fine. He said following is the status of an investigation into the unexplained trash removal increase of 19% or about \$170,000 each year for the last two years. He said an investigation was initiated by CSI of Monaca, PA on

May 5 and completed on September 1 ahead of schedule and at a cost of approximately \$6,000. He said repeat, \$6,000 to the Controller. He said 12 persons were interviewed who were believed familiar with the matter. He said an additional 4 persons were identified later in the investigation due to budget and time constraints. He said the results of these interviews alleged that the trash not originated in our City ... repeat not originated in our City ... was improperly charged to the City account. He said there is ample information to pursue that there may have been a premeditated scheme to alter and falsely weigh and falsify weight slips at the disposal sites and thereby financially harm the City. He said this scheme is believed to encompass at least one other municipality's trash account in a parallel manner. He said it is beyond the scope of this investigation to contact anyone in the other municipalities. He said these municipalities could either be the sources of external trash or harmed financially by the falsification of disposal weight records. He said CSI investigators informed the Controller at the outset of this investigation that it is common for an investigation focused on one matter to uncover other equally troubling matters. He said they stated that their investigation procedure is to follow where the information takes them. He said in this particular case there was a spinoff to this investigation and it revealed that a City entity recorded some 21 unfinished financial transactions. He said these year 2010 transactions are estimated to entail about over \$7,500. He said prior years were not within the scope of this preliminary inquiry. He said these 2010 transactions are considered incomplete according to accepted accounting practices. He said in addition, the CSI investigation revealed another City entity that should be scrutinized and relates to the procurement of the vehicle supplies. He said the City Administrator is completely aware of

- Mr. Cherepko said thank you very much Mr. Malinchak.

- Mr. Malinchak said the City Administrator is completely aware of
- Mr. Cherepko said that is his three minutes.
- Mr. Malinchak said he let the other gentleman speak more than three minutes.
- Mr. Cherepko said that is because they were speaking with him. Mr. Cherepko said that is his three minutes He said that is because they were speaking with him and he allowed more time. He said does he want to break into executive session.
- Mr. Malinchak said he is speaking with him right now.
- Mr. Cherepko said well the three minutes is up at this point.
- Mr. Segina said he is kind of curious about what he is saying.
- Ms. Walker-Montgomery said she is too.
- Mr. Segina said why don't they just let Mr. Malinchak finish what he is saying.
- Mr. Cherepko said then do they want to break into executive session. He said does Mr. Malinchak have any names.
- Mr. Malinchak said no. He said does he think he is going to give him the names.
- Mr. Cherepko said go ahead, he will let him finish.
- Mr. Malinchak said if he would have let him finish his presentation, he would understand what the next sentences are.
- Mr. Segina said Mr. Cherepko said to finish so please finish.
- Mr. Cherepko said he is just
- Mr. Malinchak said then throw me out Mr. Segina.

- Mr. Cherepko said he is not throwing him out and he never threw him out ... what the minutes show ... read the minutes. He said seven times he was warned the day he left and he suggested twice to be thrown out before he was. He said all he is doing is looking out for the City and he doesn't want to see some kind of allegation come out on his part and then they have a lawsuit against the City. He said he is not going to go as far as questioning this investigation. He said they can question this and that and whether it was a thorough investigation
- Mr. Malinchak said he should be recusing himself because he got a \$750 donation from the person they are looking at.
- Mr. Cherepko said because he came to the golf outing.
- Mr. Malinchak said he donated money to his campaign.
- Mr. Cherepko said it is on his statement.
- Mr. Malinchak said please, please.
- Mr. Cherepko said wait a minute ... no. He said let me take this a step further. He said Mr. Malinchak just conducted an investigation that 1) he had no authority to do, 2) if he didn't do it as a Controller, he obviously didn't do it as a citizen, and 3) then that tells him he did for one reason as a Mayoral candidate. He said if he did it as a Mayoral candidate, let's be very clear here, he doesn't know how many times he has called City Hall and he heard that Ray was in there working with City employees and tying up the City employees on their work time for his investigation. He said if Ray was in City Hall and getting information from the employees for this investigation on City time, they have people all across the State of Pennsylvania right now being indicted for things like that. He said that is called using your employees to help your campaign. He said that is the only reason he can He said wait a minute, it is the only reason he can
- Mr. Malinchak said if I can

- Mr. Cherepko said he is not going to ... he is just saying. He said Ray is just sitting here doing a Mayoral campaign and he is going to start digging and digging. He said why don't they worry about bigger things.
- Mr. Segina said whoa, whoa, whoa.
- Mr. Cherepko said why don't they look ... he is not overlooking this. He said he is just saying as a Mayoral campaign.
- Mr. Malinchak said the \$100,000 is not bigger....
- Mr. Cherepko said what's that ... oh not the trash ... he is not dealing with that ... all the sudden it went off into this and off into that and his problem is that he is tying up their City employees here and is he going to reimburse the City employees and is he going to reimburse the City for the thousands of dollars that he used of manpower to get this information on an unauthorized investigation.
- Mr. Segina said are they going to be reimbursed \$340,000 that they lost on the trash collection service.
- Mr. Cherepko said wait a minute He said that is to be determined. He said that ... that's ... a whole other issue.
- Mr. Segina said just to put this in
- Mr. Cherepko said that is a whole other issue though Mr. Segina. He said he would like to ask Mr. Malinchak one question. He said this was an investigation where all parties mentioned were questioned, correct. He said he is just curious. He said all these people were questioned ... it was a thorough investigation and not a witch hunt which would be more like an investigation where ... and he has seen investigations where once your name is up, you are questioned and this and that and "While Mr. Nickolich stood before them here and welcomed everyone up." He said he is assuming that Mr. Nickolich was questioned and interviewed and all that, correct.

- Mr. Segina said Mr. Cherepko is
- Mr. Cherepko said he is asking a question.
- Mr. Malinchak said he is not answering his question.
- Mr. Segina said why doesn't Mike just let Ray just finish his report and get it over with.
- Mr. Malinchak said he won't let him finish.
- Mr. Cherepko said he chose not to finish it.
- Mr. Segina said he is offering again a defense for what is going on.
- Mr. Cherepko said he is not offering a defense.
- Mr. Segina said he doesn't know how valid this is.
- Mr. Cherepko said Mr. Segina he is tired of old school politics.
- Mr. Segina said he is, then why is he is conducting that.
- Mr. Cherepko said he is not.
- Mr. Segina said he is.
- Mr. Cherepko said his problem is he is not going to see this City thrown ... cast a negative light upon it and a black eye for someone's own political agenda.
- Mr. Segina said it is not a black eye. He said why doesn't he let it go through. He said it
- Mr. Cherepko said it is always doubt, casting doubt.
- Mr. Segina said just let....
- Mr. Cherepko said he has sat here for 8 years ... sorry, 3 months short of 8 years and in 7 and $\frac{3}{4}$ years or whatever, he has yet to hear Mr. Malinchak one time say something

positive about this City. He said not one time in over 7-1/2 years.

- Mr. Segina said what does that have to do with this report. He said he is not trying to defend this guy but he, as a Councilman, would like to hear the end of what Ray is talking about and reserve comment on it.
- Mr. Cherepko said he agrees, that is fine, he can go up there and do that.
- Mr. Segina said he hasn't said anything about it and he is not going to.
- Mr. Cherepko said enough is enough. He said this is ... his only concern is the City of McKeesport and that is the only concern he has.
- Mr. Segina said he thinks they all
- Mr. Cherepko said if he is going to make allegations
- Mr. Segina said he thinks they all share that same concern.
- Mr. Cherepko said if he is going to make allegations ... let's be clear for the people in the audience who may not be sure. He said when this statement was made about a political contribution, that was ... people get political contributions all over He said Nickolich came to a golf outing. He said it is on his statement. He said everything is as legal as can be and that does not mean there is a conflict of interest. He said let's make that very clear. He said for some people to think that is a conflict of interest, it is not. He said if that was the case, think of all the laws that are passed throughout this state each and every day. He said take education, since that is the hot topic tonight. He said that would mean that if it were a conflict of interest that every single time that PSEA or NEA or whoever endorsed a candidate that they would not be allowed to vote on a bill. He said that is not the case.

- Mr. Segina said can they hear the rest of this.
- Mr. Cherepko said he just wants to be very clear because that's what he wants to do is cast doubt, cast doubt.
- Mr. Segina said he thinks they should at least have the courtesy of listening to what he has to say.
- Mr. Cherepko said how did they know he contributed that money, because it was on his campaign finance report like it was supposed to be, legally as all can be.
- Mr. Segina said okay fine, he is glad the issue is out like that.
- Mr. McCall said he thinks that if Mr. Malinchak is going to do this report, all they want to deal with is trash. He said he doesn't want to go off into some other tangent or anything. He said that's the other thing.
- Mr. Cherepko said where does it stop.
- Mr. McCall said that is the other thing. He said he has already said it does spin off but he doesn't really care about the spinoff, he just wants to know about the trash hauling. He said that is what they wanted to deal with and they are not going to deal with everything else.
- Ms. Diggs said they were talking about the trash before.
- Mr. Segina said they are going to have to deal with it sooner or later.
- Ms. Diggs said Nickolich picks up everything, he will even pick up refrigerators and stoves, everything. He said the other trash company did not.
- Mr. Segina said didn't she hear what he said.
- Mr. Cherepko said what did he say Mr. Segina because he maybe he missed it.

- Mr. Segina said he said those other communities were dumping into the charges of McKeesport.
- Ms. Diggs said she understands that. She said they have to police that.
- Mr. Segina said how do you police that.
- Ms. Diggs said they have to people watching....
- Mr. Cherepko said his problem is even if there was an increase in expenses keep in mind when the bids went out, give or take a few dollars. He said Mr. Nickolich was \$1.5 million lower than the bid of the company that they had at that time. He said the second lowest bid at that time was \$1 million more than what Nickolich bid. He said being that, even if Nickolich went over bid by a couple hundred thousand dollars, he still saved the City a tremendous amount of money. He said that is neither here nor there. He said they want to sit here and investigate this or that and there are a lot of things that can be looked into. He said there are a lot of things Mr. Malinchak that can be looked into. He said he has a form in here about an application that he himself put out there. He said Mr. Malinchak tried to acquire property. He said is that true or not.
- Mr. Malinchak said absolutely.
- Mr. Cherepko said Mr. Malinchak tried to acquire property. He said they need to make this very clear. He said this was done after Mr. Malinchak sat in meetings with the former Mayor, Mr. Pittman, and various gas drilling companies and discussions were had about bringing these companies in onto pieces of property known as the Palkovitz property to generate a new source of revenue for the City.
- Mr. Malinchak said absolutely false. He said his application was one year ahead of the City's.
- Mr. Cherepko said that is not true.

- Ms. Walker-Montgomery said she thinks they should either let Mr. Malinchak finish his report
- Mr. Cherepko said go ahead, he has no problem.
- Ms. Walker-Montgomery said can he finish that so they can move on or doesn't he want to.
- Mr. Malinchak said Mr. Cherepko is not comfortable with it.
- Mr. Cherepko said go ahead, he can do what he wants. He said he wanted to make sure ... listen... once again he wants to cast doubt. He said he has one concern, one concern that he brings up a name in there and all the sudden they have yet another law suit against the City. He said if Mr. Malinchak is not mentioning names, he can feel free to go ahead and talk about his investigation. He said finish it. He said he has no problem with that. He said that was his concern for the City.
- Mr. Malinchak said with his permission, he will finish it from his seat here. He said the City Administrator is completely aware of these two spinoffs and has been vigilant in conducting an internal review in response to written requests from the Controller. He said after the City Administrator provides the results of these internal reviews, the Controller will then proceed to solicit the interest of applicable law enforcement agencies to determine if any of these matters and some of the unidentified matters comply with governing laws.
- Mr. Cherepko said if something comes up and it is valid, he feels the same way, he feels the same way. He said let the record show that. He said send it on to the agencies, wherever it needs to go. He said make sure it goes where it needs to go and it is a thorough investigation and everyone is investigated and questioned and they move right ahead. He said just make that very clear.

- Ms. Walker-Montgomery said does Dennis have a copy of that because he would be the one doing the internal review.
- Mr. Pittman said yes.
- Mr. Cherepko said thank you Mr. Malinchak.

TABLED BILLS:

BILL #173: A RESOLUTION OF THE CITY OF McKEESPORT, ALLEGHENY COUNTY, PENNSYLVANIA, AUTHORIZING THE PROPER CITY OFFICERS TO ENTER INTO A CONTRACT WITH KU RESOURCES, INC., 22 SOUTH LINDEN STREET, DUQUESNE, PA 15110.

MOTION: Ms. Diggs moved, seconded by Mr. McCall, "To remove Bill #173 from the Table."

COMMENTS:

- Ms. Walker said she has a comment. She said go ahead Dennis, he may answer her question.
- Mr. Pittman said they tabled this Bill in July at the request of Mr. Dice who wanted them to do a field investigation to determine the ownership area of the slide. He said they since completed that and Senate Engineering met with Nick Shermenti, the Public Works Director and determined that they had lost six feet of King Street which is the City's street and they related that back to Mr. Dice and he then suggested that because the slippage has occurred on City owned property that they should proceed with this Resolution which retains someone to do core bore drillings to determine why it is sliding and bring information back to this Council as to what they should do next.
- Mr. Segina said is there a cost associated with this.

- Mr. Pittman said the core boring that is in here is around \$6,000.
- Ms. Walker said do they put that out to bid.
- Mr. Pittman said they did, they got professional service quotes and KU Resources happens to be located in Duquesne and they were the lowest bid.
- Mr. Segina said it was an RFP.
- Mr. Pittman said right it was an RFP, a request for proposal.

RC-3 YEAS: McCALL, CHEREPKO, DIGGS, DELLAPENNA,
TEDESCO, WALKER, SEGINA 7

NAYS: NONE..... 0

NEW BUSINESS:

ORDINANCE #11-16 – BILL #180: AN ORDINANCE OF THE CITY OF McKEESPORT, ALLEGHENY COUNTY, PENNSYLVANIA, VACATING REBA ALLEY SITUATE IN THE TWELFTH WARD OF THE CITY OF McKEESPORT FROM A POINT BEING LOCATED AT THE INTERSECTION OF THE CENTERLINE OF REBA ALLEY 15' R/W WITH THE EXTENDED WESTERLY RIGHT-OF-WAY LINE OF MOSS STREET, THENCE ALONG SAID CENTERLINE IN A SOUTHWESTERLY DIRECTION 50.00' TO A POINT ON THE EASTERLY LINE DIVIDING LOTS 74 AND 75 IN THE 'REVISED EXTENDED AND CORRECTED PLAN OF LOTS, MARY O. PETERSON ESTATE, PLAN BOOK VOLUME 30, PAGE 72', CONTAINING 750 SQ. FT.

MOTION: Mr. Segina moved, seconded by Mr. Tedesco,
"To adopt Bill #180."

RC-4 YEAS: McCALL, CHEREPKO, DIGGS, DELLAPENNA,
TEDESCO, WALKER, SEGina 7

NAYS: NONE..... 0

Mr. Alexander said now they have to go back to Bill #173 and actually have a motion and second to adopt the bill.

Mr. Cherepko said they made a motion and voted on pulling the Bill #173 off the Table so now they are going to go ahead and he is going to ask for a motion to adopt Bill #173.

RESOLUTION #2011-58 – BILL #173: A RESOLUTION OF THE CITY OF McKEESPORT, ALLEGHENY COUNTY, PENNSYLVANIA, AUTHORIZING THE PROPER CITY OFFICERS TO ENTER INTO A CONTRACT WITH KU RESOURCES, INC., 22 SOUTH LINDEN STREET, DUQUESNE, PA 15110.

MOTION: Mr. Segina moved, seconded by Mr. Tedesco,
"To adopt Bill #180."

RC-4 YEAS: McCALL, CHEREPKO, DIGGS, DELLAPENNA,
TEDESCO, WALKER, SEGina 7

NAYS: NONE..... 0

MOTION: Mr. Segina moved, seconded by Mr. Tedesco,
"To adopt Bill #173."

RC-5 YEAS: McCALL, CHEREPKO, DIGGS, DELLAPENNA,
TEDESCO, WALKER, SEGina 7

NAYS: NONE..... 0

Mr. Segina said what concerns him about this second bill is the amount of money it is going to take to rectify that situation. He said they might need that whole bond over here.

ORDINANCE #11-17 – BILL #181: AN ORDINANCE OF THE CITY OF McKEESPORT, ALLEGHENY COUNTY, PENNSYLVANIA, AMENDING SECTION 3 AND SECTION 5 OF ORDINANCE #11-4 "AIRPORT DISTRICT OVERLAY".

MOTION: **Mr. Tedesco moved, seconded by Ms. Walker, "To adopt Bill #181."**

RC-6 YEAS: McCALL, CHEREPKO, DIGGS, DELLAPENNA,
TEDESCO, WALKER, SEGINA 7

NAYS: NONE..... 0

BILL #182: A RESOLUTION OF THE CITY OF McKEESPORT, ALLEGHENY COUNTY, PENNSYLVANIA, APPROVING A ZONING APPLICATION FOR A CONDITIONAL USE IN AN R-1 ZONING DISTRICT TO CONSTRUCT AN ELEMENTARY/INTERMEDIATE SCHOOL AT 1500 MONONGAHELA BLVD., McKEESPORT, PA.

- Mr. Cherepko said with all the controversy and questions they have had on both sides of this issue, it is his suggestion and he thinks ... and he knows they did get a letter from the School District today saying that everything is going to be contingent upon what they do. He said he thinks they should table this Bill. He said he is going to ask for a motion to table this Bill at this time.
- Mr. Segina said he doesn't want to see it tabled, they should just go ahead and take a vote on it. He said why is he going to table it. He said that is more time. He said Mike is talking about time about them getting in there and everything.
- Mr. Cherepko said he does not believe that they need ... as a matter of fact they are here and they will make sure. He said he does not believe they need this approval and they will not

hold them up at all if they do not approve this at this time, is that true.

- Mr. Phillips said they need it approved but not at this moment.
- Mr. Cherepko said for where they are at
- Mr. Phillips said he was told by the solicitor that he is another month away for getting the part the eminent domain
- Mr. Tedesco said however that could dictate their path whichever way they go the sooner they make a decision.
- Ms. Walker-Montgomery said the sooner they do it yes.
- Mr. McCall said he looks at it this way too. He said they have not even been approved for being refunded for the project. He said he thinks they sit here and they have to sit back and wait a minute because what if they don't get refunded. He said is the school district still going to build this school. He said the have a school director right here. He said Mr. Maglicco, are they still going to build this school even if they don't get the matching funds.
- Mr. Maglicco said they can do it without the PlanCon approval although that would definitely make it much more difficult without PlanCon approval for reimbursement.
- Mr. McCall said as taxpayers they don't know.
- Mr. Segina said it would also increase the millage.
- Mr. Maglicco said it would increase the millage for sure. He said either way they are going to pay if they build it or do nothing.
- Mr. Cherepko said go ahead ... he may come up to the podium.

- Geoffrey Phillips, Civil Engineer for the Project, came up to the podium. He said after last night's conversation regarding this, he submitted a letter to Council and the Mayor today asking that the Conditional Use have a condition added to it that the McKeesport Area School District demonstrate that they have control of the property. He said that way if they don't take control of the property, the conditional use would not go through. He said it is a matter again of people's time and the people before him here. He said as far as the conditional use is the starting point of many things they have to continue from getting the plans and meeting the deadlines.
- Mr. Tedesco said however, if it were to fail....
- Mr. McCall said it is better for them to table this bill.
- Mr. Tedesco said what he is saying is if they don't approve this, it is better for them to know now than a month from now or two months from now.
- Mr. McCall said even if they don't approve it and they go to court, it just pushes it back and usually what happens under the eminent domain they are going to get it anyhow.
- Mr. Tedesco said instead of them holding them up.
- Mr. Cherepko said is that correct; basically whether they approve this or not, they can move forward but will probably use the court system.
- Mr. Alexander said in the event that they table this, they cannot move forward with the conditional use. He said they can move forward with their PlanCon process and internally with the plans and their Act 34 Hearing but until they give them the conditional use they cannot break ground.
- Mr. Segina said he seconds the motion.
- Mr. Cherepko said to table it.
- Ms. Walker said not to table it, to vote on it.

- Mr. Cherepko said wait a minute. He said he thought there was a motion to table.
- Mr. Segina said he mentioned after she said the motion to vote on it, about tabling.
- Mr. Tedesco said she already moved on the one bill.
- Mr. Cherepko said if someone makes a motion to table
- Mr. Alexander said the motion to table would take precedence.
- Mr. Cherepko said is there a motion to table this bill.
- Mr. McCall said he makes a motion to table this bill.
- Mr. Cherepko said is there a second to table this bill. He said he will second the motion.

**MOTION: Mr. McCall moved, seconded by Mr. Cherepko,
"To table Bill #182."**

RC-7 No vote for lack of a second.

- Mr. Segina said Mr. Cherepko is the President of Council so he can't second the motion.
- Mr. Alexander said he doesn't know what the history is in the City of McKeesport and there are certain municipalities where the President has the abilities and there are certain that don't.
- Mr. Cherepko said is there a second to table?
- There was no second for the motion to table Bill #182.

**MOTION: Ms. Walker moved, seconded by Mr. Segina,
"To adopt Bill #182."**

RC-8 YEAS: CHEREPKO, DIGGS, WALKER 3

NAYS: McCALL, DELLAPENNA, TEDESCO, SEGINA... 4

Mr. Cherepko said this Bill does not pass.

RESOLUTION #2011-59 – BILL #183: A RESOLUTION OF THE CITY OF McKEESPORT, ALLEGHENY COUNTY, PENNSYLVANIA, APPROVING A REQUEST FROM WARREN YECKEL FOR A SUBDIVISION TO CONSOLIDATE SEVEN LOTS INTO TWO LOTS AT 2118 AND 2124 WALNUT STREET LOCATED IN THE 11TH WARD OF THE CITY OF McKEESPORT.

MOTION: Mr. Segina moved, seconded by Mr. Tedesco, "To adopt Bill #183."

RC-9 YEAS: McCALL, CHEREPKO, DIGGS, DELLAPENNA, TEDESCO, WALKER, SEGINA 7
NAYS: NONE..... 0

RESOLUTION #2011-59 – BILL #184: A RESOLUTION OF THE CITY OF McKEESPORT, ALLEGHENY COUNTY, PENNSYLVANIA, AUTHORIZING THE MAYOR TO SIGN THE ATTACHED AUTOMATED RED LIGHT ENFORCEMENT PROGRAM PROJECT FUNDING AGREEMENT #118487, MPMS #93281 WITH THE COMMONWEALTH OF PENNSYLVANIA.

MOTION: Mr. Tedesco moved, seconded by Mr. Segina, "To adopt Bill #184."

RC-10 YEAS: McCALL, CHEREPKO, DIGGS, DELLAPENNA, TEDESCO, WALKER, SEGINA 7
NAYS: NONE..... 0

RESOLUTION #2011-61 – BILL #185: A RESOLUTION OF THE CITY OF McKEESPORT, ALLEGHENY COUNTY,

PENNSYLVANIA, AUTHORIZING THE MAYOR TO SIGN THE ATTACHED AUTOMATED RED LIGHT ENFORCEMENT PROGRAM PROJECT FUNDING AGREEMENT #118471, MPMS #93282 WITH THE COMMONWEALTH OF PENNSYLVANIA.

MOTION: Mr. Segina moved, seconded by Mr. Tedesco,
"To adopt Bill #185."

RC-11 YEAS: McCALL, CHEREPKO, DIGGS, DELLAPENNA,
TEDESCO, WALKER, SEGINA 7

NAYS: NONE..... 0

RESOLUTION #2011-62 – BILL #186: A RESOLUTION OF THE CITY OF McKEESPORT, ALLEGHENY COUNTY, PENNSYLVANIA, AUTHORIZING THE PROPER CITY OFFICERS TO ENTER INTO AN AGREEMENT WITH THE COUNTY OF ALLEGHENY FOR POST REHABILITATION FINANCIAL, MAINTENANCE AND OWNERSHIP OF MONONGAHELA/WEST FIFTH AVENUE CITY STREETS.

MOTION: Mr. Segina moved, seconded by Mr. Tedesco, "To adopt Bill #186."

COMMENTS:

- Mr. Segina said he would like to give kudos to Mr. Pittman for this long extended negotiation to get this resolved and saving the City about \$90,000. He said it also saved the borough of Glassport a lot of money. He said all of those involved in the negotiations with the County and the State and he is sure Dennis didn't have to put the gun to their head but he did and thank goodness they got this resolved. He said have they established who owns this ramp now.
- Mr. Pittman said the rights of way are in the agreement and yes the City owns it for maintenance.

- Mr. Tedesco said they still said the City is responsible for future maintenance.
- Mr. Pittman said to plow the snow and other maintenance.

RC-12 YEAS: McCALL, CHEREPKO, DIGGS, DELLAPENNA,
TEDESCO, WALKER, SEGina 7

NAYS: NONE..... 0

RESOLUTION #2011-63 – BILL #187: A RESOLUTION OF THE CITY OF McKEESPORT, ALLEGHENY COUNTY, PENNSYLVANIA, AUTHORIZING THE PROPER CITY OFFICERS TO ENTER INTO AN AGREEMENT WITH ACTION HOUSING OF ALLEGHENY COUNTY, D/B/A McKEESPORT DOWNTOWN HOUSING FOR USE OF A FITNESS CENTER ROOM AT 523 SINCLAIR STREET, McKEESPORT, PA.

MOTION: Mr. Segina moved, seconded by Mr. Tedesco, "To adopt Bill #187."

- Mr. Segina said why is Action Housing putting this in here and who are they doing this for.
- Mr. Tedesco said this is for the police gym.
- Mr. Segina said he will vote yes.

RC-13 YEAS: McCALL, CHEREPKO, DIGGS, DELLAPENNA,
TEDESCO, WALKER, SEGina 7

NAYS: NONE..... 0

RESOLUTION #2011-64 – BILL #188: A RESOLUTION OF THE CITY OF McKEESPORT, ALLEGHENY COUNTY,

PENNSYLVANIA, AUTHORIZING THE PROPER CITY OFFICIALS TO ENTER INTO A RIGHT-OF-WAY USE AGREEMENT WITH PENNECO PIPELINE CORP. FOR THE USE OF CITY RIGHT-OF-WAYS FOR THE INSTALLATION AND MAINTENANCE OF A SHALLOW GAS WELL SITE WITHIN THE CITY OF McKEESPORT, ALLEGHENY COUNTY, PENNSYLVANIA.

MOTION: **Mr. Segina moved, seconded by Mr. Tedesco, "To adopt Bill #188."**

RC-14 YEAS: McCALL, CHEREPKO, DIGGS, DELLAPENNA, TEDESCO, WALKER, SEGINA 7

 NAYS: NONE..... 0

AMEND THE AGENDA:

Mr. Cherepko said he would like to ask for a motion to add Bill #189 to the Agenda.

MOTION: **Mr. Tedesco moved, seconded by Ms. Diggs, "To add Bill #189 to the Agenda."**

- Mr. Alexander said they should ask the public if they have any discussion or questions regarding the amendment of the Agenda.
- Mr. Cherepko said is there any question or discussion from the public in regards to the amendment of the Agenda.

RC-15 YEAS: McCALL, CHEREPKO, DIGGS, DELLAPENNA, TEDESCO, WALKER, SEGINA 7

 NAYS: NONE..... 0

RESOLUTION #2011-65 – BILL #189: A RESOLUTION OF

MOTION: Mr. Segina moved, seconded by Ms. Walker-Montgomery, "To adopt Bill #189."

NAYS: NONE..... 0

- Mr. Malinchak said would Mr. Pittman give them a status report on the collection of rents for rooms they have rented out in the City building.
- Mr. Pittman said he didn't bring that with him and he would offer that they have submitted to all of the current tenants both in this building and in the building at 500 Fifth Avenue, leases that run through and inclusive of December 31 of this year and left open to the new Administration that begins January 1, 2012, to renegotiate those leases at the same or a different price.
- Mr. Malinchak said is anyone delinquent now or late in their payments.
- Mr. Pittman said he believes some of those rents are in arrears.
- Mr. Malinchak said thank you. He said he recommends to Council the payment of bills in the amount of \$101,197.46.

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ADJOURNMENT:

Respectfully submitted,

APPROVED:

daw